# FYC GENESIS ALLOCATION TERM SHEET

**FYT Private Placement 2026**

This Term Sheet summarises the proposed terms of a conditional future allocation of Flour Yield Coin (“FYC”) to investors participating in the private placement of Flour Yield Token (“FYT”).

It is intended to be incorporated into, or attached as a Schedule to, the relevant FYT Private Placement Subscription Agreement.

## 1. Purpose

The FYT Private Placement is intended, among other purposes, to support the further development of the Flour Yield ecosystem, the expansion of the basalt-based real-world-asset infrastructure and the research, regulatory structuring and potential development of FYC.

FYC is currently a development project only. Its final structure, issuer, jurisdiction, regulatory classification, reserve architecture and launch conditions have not yet been determined.

There is no assurance that FYC will ever be issued.

## 2. Conditional FYC Genesis Allocation

For each **one (1) FYT** validly subscribed for, fully paid and allocated to an Investor under the FYT Private Placement, that Investor shall be recorded as eligible for a conditional future allocation of:

**1 FYT subscribed = 1 FYC (Genesis Allocation)**

No separate purchase price shall be payable by the Investor for the FYC Genesis Allocation. The 1:1 ratio is solely a numerical allocation ratio. It does not imply that one FYT and one FYC have, or are expected to have, the same monetary value, economic value, reference value or market price.

Only FYT acquired directly under the designated Private Placement qualify. FYT acquired subsequently on any secondary market, through rewards, airdrops or other distributions do not create an FYC Genesis Allocation.

# 3. Separate from FYT

The FYC Genesis Allocation is a contractual Private Placement benefit and **does not constitute a right attached to FYT**. In particular:

- FYT is not convertible into FYC;
- FYT is not redeemable for FYC;
- no FYT must be surrendered, transferred or burned to receive FYC;
- the 1:1 allocation ratio does not represent or imply any price, peg, exchange rate or value relationship between FYT and FYC; and
- the future existence or non-existence of FYC does not alter the rights or characteristics of FYT.

An Investor's FYC Genesis Allocation shall therefore remain separate from the Investor's subsequent ownership or disposal of FYT.

# 4. Genesis Allocation Register

The eligible allocation of each Private Placement Investor shall be recorded in a dedicated **FYC Genesis Allocation Register** maintained by Insela UAB or another designated project entity.

The Register shall record the number of qualifying FYT acquired by the Investor and the corresponding maximum number of FYC that may become allocable upon an FYC Launch Event.

The Genesis Allocation itself shall not be tokenised, tradable or represented by a transferable crypto-asset.

# 5. FYC Launch Event

An FYC Genesis Allocation becomes exercisable only upon occurrence of an **FYC Launch Event**. An FYC Launch Event shall occur only if all material conditions required for the lawful issuance of FYC have been satisfied under the applicable regulatory framework and jurisdiction.

No FYC shall be issued under this Term Sheet before these conditions have been satisfied to the extent required by applicable law.

## 6. Investor Eligibility

Receipt of FYC shall further be subject to the Investor satisfying all eligibility requirements applicable at the time of the FYC Launch Event. An Investor who is legally prohibited from receiving or holding FYC shall not be entitled to require issuance in violation of applicable law.

## 7. No Current FYC Rights

Prior to an FYC Launch Event, the Genesis Allocation does not confer any rights.

## 8. Non-Transferability

The FYC Genesis Allocation is personal to the original Private Placement Investor and may not, prior to an FYC Launch Event, be sold, assigned, pledged, transferred, tokenised or otherwise disposed of, except where expressly permitted by Insela UAB and applicable law. A transfer or sale of the Investor's FYT does not automatically transfer the Genesis Allocation.

## 9. No-Launch / No-Compensation

If FYC is not launched, cannot lawfully be issued, or the relevant regulatory or commercial conditions for an FYC Launch Event are not satisfied, no FYC shall become due.

In such circumstances:

- no part of the FYT subscription price shall become refundable;
- no additional FYT shall become payable;
- no fiat, crypto-asset, basalt or other compensation shall become payable; and
- the Investor shall have no claim against Insela UAB, the prospective FYC issuer or any Flour Yield project entity solely as a consequence of FYC not being launched.

The Investor acknowledges that the FYT investment must therefore be assessed independently of the potential future FYC Genesis Allocation.

## 10. Long-Stop Date

Unless extended by Insela UAB for the benefit of participating Investors, the conditional FYC Genesis Allocation shall expire if no FYC Launch Event has occurred within **forty-**

**eight (48) months** following the closing date of the relevant FYT Private Placement subscription.

Insela UAB may extend the Long-Stop Date by written notice to participating Investors.

# 11. Genesis Pool

The aggregate number of FYC potentially allocable under the Private Placement shall constitute the **FYC Genesis Allocation Pool**.

The maximum Genesis Allocation Pool shall equal the aggregate number of qualifying FYT actually sold and fully paid under the Private Placement, subject to any overall cap expressly specified in the Private Placement documentation.

No FYC shall be issued from the Genesis Allocation Pool unless the FYC issuer is able to satisfy the applicable reserve, liquidity, capital and other regulatory requirements resulting from such issuance.

# 12. Future FYC Terms

Any FYC ultimately issued shall be governed exclusively by the regulatory framework, white paper, token terms, redemption policy and other binding documentation applicable to FYC at the time of issuance.

Nothing in this Term Sheet predetermines:

- the final regulatory classification of FYC;
- the FYC issuer or jurisdiction;
- the composition or valuation of the FYC reserve;
- the final reference mechanism;
- the redemption mechanism;
- the transferability or trading venues of FYC; or
- the categories of persons permitted to hold FYC.

# 13. Regulatory Safeguard

The parties intend the Genesis Allocation to constitute a **conditional future Private Placement benefit only**, and not the present issuance, sale, pre-sale or public offering of FYC.

If any competent authority or applicable law requires the Genesis Allocation mechanism to be amended, suspended, restricted or implemented differently in order to permit the lawful development or issuance of FYC, the mechanism may be adapted to the minimum extent reasonably necessary to comply with such requirements, provided that no such adaptation shall create a cash compensation or repayment obligation unless expressly agreed in writing.

## 14. Tax

Each Investor is responsible for assessing any tax consequences arising from the future receipt, ownership, redemption or disposal of FYC.

Any allocation may be subject to applicable withholding, reporting or similar legal requirements.

## 15. Governing Law

The Genesis Allocation provisions shall be governed by the same law and dispute-resolution provisions as the Investor's FYT Private Placement Subscription Agreement, unless mandatory law applicable to FYC requires otherwise.